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August 22, 2002

VIA COURIER

Marlene H. Dortch, Secretary
Federal Communications Commission
International Bureau
P.O. Box 358115
Pittsburgh, PA 15251-5115

FCC/MELLON

AUG 22 2002

Re: **Application of Global Crossing Ltd. (Debtor-in-Possession) and GC Acquisition Limited for Authority to Transfer Control of Subsidiaries Holding International Section 214 Authority**

Dear Secretary Dortch:

On behalf of Global Crossing Ltd. (Debtor-in-Possession) ("GCL") and GC Acquisition Limited ("New GX") (together "Applicants"), enclosed please find an FCC Form 159 and a check to cover the filing fee for the application for Commission approval to transfer control of GCL's subsidiaries holding international Section 214 authority from GCL to New GX ("Application"). The check is in the amount of \$6,520.00 to satisfy the filing fees for GCL's eight subsidiaries holding international 214 authority. Applicants are filing the Application today electronically through the International Bureau Electronic Filing System.

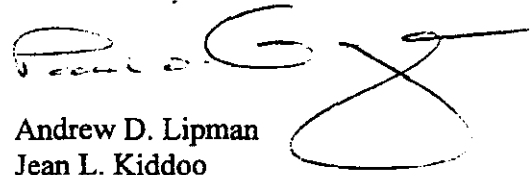
The Application consists of the *Application for Consent to Transfer Control and Petition for Declaratory Ruling* (the "Main Application") and the *Application to Transfer Control of International and Domestic Section 214 Subsidiaries*, which is Attachment D to the Main Application. This Application is a joint international and domestic Section 214 transfer of control application, pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b).

Concurrent with the Application, Applicants are filing separate applications for approval to transfer control of GCL's other FCC-licensed subsidiaries. They include applications to transfer control of GCL's subsidiaries holding domestic Section 214 authority (combined with the international Section 214 application as explained above), submarine cable landing licenses and wireless licenses. The other FCC applications are attached to the Main Application as Attachments E and F respectively.

Marlene H. Dortch, Secretary
August 22, 2002
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Please date-stamp the copy of this filing and return it in the messenger envelope provided. Please direct any questions to Paul O. Gagnier at (202) 424-7592.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul O. Gagnier", with a large, stylized flourish at the end.

Andrew D. Lipman
Jean L. Kiddoo
Paul O. Gagnier

Counsel for Applicants

Enclosures

cc: Donald Abelson (IB) *(via e-mail)*
Jim Ball (IB) *(via e-mail)*
Claudia Fox (IB) *(via e-mail)*
George Li (IB) *(via e-mail)*
Kathleen Collins (IB) *(via e-mail)*
Belinda Nixon (IB) *(via e-mail)*

In the Matter of)
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GLOBAL CROSSING LTD.)
(Debtor-in-Possession),)
)
Transferor,) Docket No. _____
)
and)
)
GC ACQUISITION LIMITED,)
)
Transferee,)
)
Application for Consent to Transfer)
Control and Petition for Declaratory Ruling)
)

August 22, 2002

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
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GLOBAL CROSSING LTD.)
(Debtor-in-Possession),)
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Transferor,)

Docket No. _____

and)
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GC ACQUISITION LIMITED,)
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Transferee,)
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)

Application for Consent to Transfer)
Control and Petition for Declaratory Ruling)
_____)

**APPLICATION FOR CONSENT TO TRANSFER CONTROL
AND PETITION FOR DECLARATORY RULING**

I. INTRODUCTION

Global Crossing Ltd. (Debtor-in-Possession) ("GCL") and GC Acquisition Limited ("New GX" and, together with GCL, the "Applicants"), pursuant to Sections 214 and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 214 & 310(d) (the "Act"), and the Act Relating to the Landing and Operation of Submarine Cables in the United States, as amended (the "Cable Landing License Act"), 47 U.S.C. §§ 34-39, hereby request approval from the Federal Communications Commission (the "FCC" or "Commission") to transfer control of

GCL's FCC-licensed subsidiaries from GCL to New GX.¹ GCL and New GX also request a declaratory ruling that the proposed indirect ownership interests in Global Crossing North American Networks, Inc. by Hutchison Telecommunications Limited ("Hutchison Telecom") and Singapore Technologies Telemedia Pte Ltd ("ST Telemedia") are in the public interest under Section 310(b)(4) of the Act.

This Application is in furtherance of a transaction intended to facilitate the reorganization of GCL under Chapter 11 of the United States Bankruptcy Code and Bermuda insolvency law (the "Proposed Transaction"). The Proposed Transaction contemplates that GCL's assets and operations, including its ownership interests in the FCC-Licensed Subsidiaries, will be transferred to New GX and that Hutchison Telecom and ST Telemedia will each invest \$125 million in New GX. In exchange, each of Hutchison Telecom and ST Telemedia will obtain 30.75% of New GX's equity and voting power. Pre-Chapter 11 creditors of GCL and its debtor subsidiaries (the "Creditors") will obtain 38.5% of New GX's equity and voting power.²

The terms of the Proposed Transaction have been agreed upon by GCL, Hutchison Telecom, and ST Telemedia. Furthermore, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") and the Supreme Court of Bermuda have authorized GCL to enter into the Proposed Transaction.³

¹ Approval is sought with respect to the following subsidiaries of GCL: Budget Call Long Distance, Inc. (Debtor-in-Possession), Global Crossing Bandwidth, Inc. (Debtor-in-Possession), Global Crossing Government Markets USA, Inc. (Debtor-in-Possession), Global Crossing Holdings USA, Inc. (Debtor-in-Possession), Global Crossing Latin America & Caribbean Co. (Debtor-in-Possession), Global Crossing Local Services, Inc. (Debtor-in-Possession); Global Crossing North American Networks, Inc. (Debtor-in-Possession), Global Crossing Telecommunications, Inc. (Debtor-in-Possession), GC Pacific Landing Corp. (Debtor-in-Possession), GT Landing Corp. (Debtor-in-Possession), GT Landing II Corp. (Debtor-in-Possession), International Optical Networks, L.L.C., MAC Landing Corp. (Debtor-in-Possession), PAC Landing Corp. (Debtor-in-Possession), PC Landing Corp. (Debtor-in-Possession), and Racal Telecommunications, Inc. (collectively, the "FCC-Licensed Subsidiaries").

² As described below, these holdings are subject to dilution as a result of a management stock option plan.

³ A copy of the Bankruptcy Court's Order approving the Proposed Transaction is included as Attachment A.

This document contains: (i) a description of the Applicants (Section II); (ii) a description of the Proposed Transaction (Section III); (iii) a showing of the public interest supporting the grant of the proposed transfer of control (Section IV); and (iv) the Petition for Declaratory Ruling (Section V). In addition, attached hereto are the following individual applications for consent to transfer control of the FCC-Licensed Subsidiaries to New GX:

- Application to Transfer Control of International and Domestic Section 214 Subsidiaries (Attachment D);
- Application to Transfer Control of Submarine Cable Landing Licensees – Streamlined Processing Requested (Attachment E); and
- FCC Forms 602 and 603 (Attachment F).

The individual applications contain the specific information required under the FCC's Rules to transfer control of each of the FCC-Licensed Subsidiaries from GCL to New GX.

II. DESCRIPTION OF THE APPLICANTS

A. GCL

GCL is a global telecommunications company organized under the laws of Bermuda and with its principal offices in Madison, New Jersey. Through its subsidiaries, including the FCC-Licensed Subsidiaries, GCL owns and operates a global Internet Protocol-based fiber optic network that spans approximately 75,800 route miles, reaching five continents, 27 countries, and more than 200 major cities (the "Global Crossing Network").

The Global Crossing Network took four years, multiple acquisitions and partnerships, and nearly \$15 billion to reach its current size. It is used by GCL's operating subsidiaries to provide integrated telecommunications services to some of the world's largest

corporations, government agencies, and telecommunication carriers, including a full range of managed data, voice, and Internet services.⁴

The U.S. portion of the Global Crossing Network is owned and operated by GCL's U.S. subsidiaries. GCL's U.S. services are provided by the FCC-Licensed Subsidiaries, which are authorized to provide telecommunications services by the FCC and the public utility commissions of all 50 states and the District of Columbia. The FCC-Licensed Subsidiaries currently hold the following FCC licenses and authorizations: eight (8) cable landing licenses,⁵ twenty (20) international Section 214 authorizations, five (5) blanket domestic Section 214 authorizations, twenty-five (25) common carrier wireless licenses, and one (1) non-common carrier wireless license.⁶ The FCC-Licensed Subsidiaries and their respective licenses and authorizations are identified in Attachment B.

On January 28, 2002, GCL and certain of its subsidiaries, including most of the FCC-Licensed Subsidiaries (the "Global Crossing Debtors"), filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code.⁷ GCL and the FCC-Licensed Subsidiaries have

⁴ Additional information about GCL and the Global Crossing Network is available on GCL's web site: <http://www.globalcrossing.com>.

⁵ On May 22, 2002, Global Crossing Telecommunications, Inc. (Debtor-in-Possession), one of the FCC-Licensed Subsidiaries that holds a cable landing license, requested authority to relinquish its interest in its cable landing license pursuant to the Commission's *Submarine Cable Report and Order. Review of Commission Consideration of Applications under the Cable Landing License Act*, Report and Order, 16 FCC Rcd 22167 (2001). The FCC accepted the request for filing on July 26, 2002 under File No. SCL-MOD-20020522-00057. Public Notice No. TEL-00555NS (rel. July 26, 2002).

⁶ GCL also holds one private aircraft radio license and one private land mobile radio license in its own name. On August 20, 2002, GCL filed an application for the *pro forma* assignment of its private land mobile radio license to Global Crossing North American Networks, Inc. (Debtor-in-Possession). The private aircraft radio license is not transferable.

⁷ *In re Global Crossing Ltd., et al.*, Chap. 11 Case Nos. 02-40187 - 02-40241 (REG) (Bankr. S.D.N.Y., Jan. 28, 2002). The same day, GCL and certain of its Bermuda-incorporated subsidiaries filed petitions for the appointment of Joint Provisional Liquidators in the Supreme Court of Bermuda. PC Landing Corp. and various of its affiliates filed for protection under Chapter 11 in the United States Bankruptcy Court for the District of Delaware on July 19, 2002. *In re PC Landing Corp.*, Chap. 11 Case No. 02-12086 (PJW) (Bankr. D. Del., July 19, 2002). International Optical Networks, L.L.C., and Racal Telecommunications Inc. are not debtors in any of the above-referenced proceedings.

retained, and will continue to retain, possession of their property and businesses during the Chapter 11 process. There have been no significant changes in the management of GCL or the FCC-Licensed Subsidiaries as a result of the Chapter 11 petitions, and they intend to continue their operations throughout the bankruptcy process.⁸

B. New GX

New GX is a company in the process of formation under the laws of Bermuda for purposes of carrying out the Proposed Transaction.⁹ Initially, GCL will be the sole shareholder of New GX, and will continue to be the sole shareholder of New GX until the Proposed Transaction is consummated. Immediately following consummation of the Proposed Transaction, Hutchison Telecom and ST Telemedia each will hold 30.75% of the equity and voting power of New GX. The remaining 38.5% equity and voting interest in New GX will be held by the Creditors. The Purchase Agreement between GCL, Hutchison Telecom, and ST Telemedia also contemplates the issuance of stock options to the future management of New GX in an aggregate amount of 8% of New GX's fully diluted equity. The holdings of Hutchison Telecom, ST Telemedia, and the Creditors will be diluted upon the exercise of the issued management options.

⁸ Following the Chapter 11 filings, the Global Crossing Debtors that hold FCC licenses assigned their respective licenses on a *pro forma* basis to themselves as Debtors-in-Possession. *Global Crossing Ltd. et al. Application for Authority for a Pro Forma Assignment of Cable Landing Licenses*, Application, File Nos. SCL-ASG-20020214-00005 through SCL-ASG-20020214-00011 (filed Feb. 14, 2002; granted June 6, 2002); *Letter to William Caton from Paul O. Gagnier re Notice of Pro Forma Assignments Involving Certain Subsidiaries of Global Crossing Ltd.* (filed Feb. 14, 2002); *Application of Global Crossing Ltd. for pro forma Assignment of Authorization*, ULS File No. 789119 (filed Feb. 27, 2002; granted July 3, 2002); *Application of Global Crossing North American Networks, Inc. for pro forma Assignments of Authorizations*, ULS File No. 788919 (filed Feb. 27, 2002; granted July 2, 2002). PC Landing Corp. filed an application to assign its submarine cable landing license to itself as Debtor-in-Possession on August 7, 2002. *PC Landing Corp. Application for Authority for a Pro Forma Assignment of a Cable Landing License*, File No. SCL-ASG-2002 _____ (filed August 7, 2002; file number not yet assigned).

⁹ The necessary documents to form New GX have been filed with the Bermuda authority. The Applicants will advise the Commission when the formation of GX is complete.

III. DESCRIPTION OF THE TRANSACTION

A. Terms of the Proposed Transaction

On August 9, 2002, the Bankruptcy Court approved the Purchase Agreement for the Proposed Transaction and authorized GCL to enter into the Proposed Transaction.¹⁰ The Purchase Agreement contemplates that in furtherance of the Proposed Transaction, GCL will transfer substantially all its assets, including its interests in the FCC-Licensed Subsidiaries, to New GX. Upon the closing of the Proposed Transaction, GCL will relinquish all of its equity and voting interest in New GX. New GX will then become the new ultimate parent of the FCC-Licensed Subsidiaries.

In accordance with the Purchase Agreement, Hutchison Telecom and ST Telemedia each will invest \$125 million in cash in New GX. In return, each of Hutchison Telecom and ST Telemedia will obtain common and preferred stock equal to 30.75% of the equity and voting power of New GX. Creditors will be issued New GX common stock in an aggregate amount of up to 38.5% of New GX's equity and voting interest, as well as \$200 million in senior secured notes of New GX and \$300 million in cash. Specifically, 6% of the common stock of New GX will be issued to the bank Creditors and 32.5% will be issued to other Creditors. The specific allocation of stock, notes, and cash among the Creditors will be determined in accordance with GCL's Bankruptcy Court-approved plan of reorganization. Therefore, the identities of the Creditors who will become shareholders of New GX and their ownership interests have not yet been determined. Applicants do not expect that any single Creditor will obtain a 10% or greater interest in New GX. Finally, the Purchase Agreement

¹⁰ The purchase agreement between GCL, Hutchison Telecom, and ST Telemedia (the "Purchase Agreement") along with relevant associated documents, is appended as Attachment C. The Supreme Court of Bermuda authorized GCL to enter into the Proposed Transaction on August 12, 2002.

foresees the issuance of stock options to New GX's management in an aggregate amount of up to 8% of the fully diluted equity of New GX. The equity and voting interests of Hutchison Telecom, ST Telemedia, and the Creditors will be diluted if those options are exercised.

The following table summarizes the proposed capitalization of New GX.

Capitalization of New GX

<i>Interest Holder</i>	<i>Shares</i>	<i>% of share capital as of closing, before giving effect to options issued to management*</i>	<i>% of share capital as of closing, after giving effect to options issued to management*</i>	<i>% of share capital as of closing, after giving effect to exercise of all options issuable to management*</i>
<i>ST Telemedia</i>	3,300,000 New Common Shares 9,000,000 New Preferred Shares	30.75%	29.21%	28.29%
<i>Hutchison Telecom</i>	3,300,000 New Common Shares 9,000,000 New Preferred Shares	30.75%	29.21%	28.29%
<i>Creditors</i>	15,400,000 New Common Shares	38.50%	36.58%	35.42%
<i>Management</i>	3,478,261 New Common Shares	0%	5.00%	8.00%
<i>Total</i>	25,478,261 New Common Shares 18,000,000 New Preferred Shares	100.00%	100.00%	100.00%

* Share ownership is calculated on a fully-diluted and as-converted basis, assuming (i) full conversion of all preferred stock of New GX into common stock and (ii) exercise of all options issued to New GX's management.

The Purchase Agreement and other documents, including a shareholders' agreement entered into between Hutchison Telecom and ST Telemedia, set out the proposed

corporate governance of New GX.¹¹ Those documents provide that the Board of Directors of New GX (the "Board") will be comprised of ten directors. Hutchison Telecom and ST Telemedia each will nominate four directors. The Official Committee of Unsecured Creditors of the Global Crossing Debtors will nominate the remaining two directors, each of whom must satisfy the independent director requirements of the New York Stock Exchange.¹² Directors nominated by ST Telemedia and Hutchison Telecom will chair the full Board and certain Board committees.¹³ Board committees are expected to have the same proportional representation of Hutchison Telecom- and ST Telemedia-nominated directors as the Board itself. The Board will make decisions by simple majority vote, and neither the Chairman of the Board nor the Chairman of any committee of the Board has a "casting vote" or other special voting rights in the event of a deadlock.

The new preferred stock of New GX will vote on an as-converted basis with New GX's common stock on all matters subject to a vote of the shareholders. In addition, the holders of the new preferred stock will have a class voting right with respect to any amendment to the terms of the new preferred stock. A simple majority of the shareholder votes will be required for most matters coming before the shareholders, except with respect to certain major corporate actions or as otherwise required by law. Specifically, for so long as each of Hutchison Telecom or ST Telemedia beneficially holds a specified minimum percentage of New GX's outstanding

¹¹ A copy of the Shareholders Agreement between Hutchison Telecom and ST Telemedia is included in Attachment C hereto. The description set forth in this section is as of the consummation of the Proposed Transaction. The Purchase Agreement and associated documents provide for modifications to certain of these provisions in the event Hutchison Telecom or ST Telemedia's ownership of New GX increases or decreases.

¹² The consent of the nominating entity will be required to remove any director nominated by Hutchison Telecom or ST Telemedia.

¹³ ST Telemedia-nominated directors will serve as Chairman of the Board, Chairman of the Audit Committee (to the extent permitted by applicable stock exchange rules) and Chairman of the Compensation Committee. Hutchison-nominated directors will serve as Chairman of the Executive Committee and Chairman of the Nominating Committee.

common stock, the approval of each holder of New GX's preferred stock will be required for certain major corporate actions.¹⁴ Other than with respect to the election of each other's and the Creditors Committee's nominees for directors, there is no agreement between Hutchison Telecom and ST Telemedia to vote their shares together or otherwise to act in concert with respect to the day-to-day operations of New GX or the FCC-Licensed Subsidiaries.

B. Description of the Proposed Shareholders of New GX

1. Hutchison Telecom

Hutchison Telecom is a Hong Kong company that holds worldwide telecommunications interests through a variety of operating subsidiaries. These interests include mobile telephone and/or paging operators in the following countries: Argentina, Australia, Austria, Denmark, Ghana, Hong Kong, India, Ireland, Israel, Italy, Macau, Malaysia, Paraguay, Sri Lanka, Sweden, Thailand, and the United Kingdom. They also include a fixed line and international direct dialing operator – Hutchison Global Communications Ltd. – in Hong Kong.¹⁵

Hutchison Telecom is indirectly wholly owned by Hutchison Whampoa Limited ("HWL"), which is a diversified Hong Kong holding company.¹⁶ HWL's business operations are

¹⁴ These actions include: (i) appointing or replacing New GX's chief executive officer; (ii) any material acquisitions or dispositions; (iii) any mergers, consolidations or reorganizations; (iv) any issuance, redemption or purchase of equity securities (other than enumerated exceptions); (v) incurrence or guarantee of indebtedness in excess of specified amounts; (vi) capital expenditures in excess of specified amounts; (vii) commencement of bankruptcy or other insolvency proceedings; and (viii) certain affiliate transactions. Subject to applicable law, appointment or removal of any member of New GX's senior management is also subject to approval of the Board, which must include the approval of the directors nominated by Hutchison Telecom and ST Telemedia. "Senior management" for this purpose includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and all other executive officers of New GX.

¹⁵ A list of the operating subsidiaries of Hutchison Telecom that will become foreign carrier affiliates of the FCC-Licensed Subsidiaries within the meaning of the Commission's Rules upon consummation of the Proposed Transaction, and a request for approval of those affiliations, is provided in Attachments D and E. Applicants understand that Hutchison Telecom's interests in telecommunications service providers in India, Israel, Malaysia, Thailand, and the United States are non-controlling.

¹⁶ Information about Hutchison Telecom and HWL is available on HWL's web site: <http://www.hutchison-whampoa.com>.

grouped into five core divisions: (i) ports and related services; (ii) telecommunications and e-commerce; (iii) property and hotels; (iv) retail and manufacturing; and (v) energy, infrastructure, finance, and investments. HWL's shares are listed and publicly traded on The Stock Exchange of Hong Kong Limited ("SEHK") and are publicly traded on the London Stock Exchange ("LSE"). As at August 9, 2002, HWL had an equity market capitalization of HK\$220.6 billion (U.S.\$28.28 billion), making it the third largest company by market capitalization on SEHK.¹⁷

Under the provisions of the Securities (Disclosure of Interests) Ordinance of Hong Kong (the "SDI Ordinance"), any person who directly or indirectly holds a beneficial interest in 10% or more of the issued share capital of HWL must disclose the interest to HWL.¹⁸ Pursuant to this disclosure requirement, Cheung Kong (Holdings) Limited ("CKHL"), a diversified Hong Kong holding company, has disclosed that it holds a beneficial interest in HWL of approximately 49.97%, and thus is HWL's largest beneficial shareholder.¹⁹ If the Proposed Transaction is consummated, CKHL will hold an indirect beneficial interest in New GX of

¹⁷ The amount of HWL's equity market capitalization, as reported in U.S. currency, assumes a conversion rate of HK\$7.8002 for each U.S.\$1.

¹⁸ Applicants understand that Hutchison Telecom and HWL do not have firsthand knowledge of, or access to, certain information regarding the indirect beneficial ownership interests held in HWL. The information in this Application related to ownership interests in HWL is based on disclosures made to HWL pursuant to the SDI Ordinance.

¹⁹ Information about CKHL, including a copy of its 2001 Annual Report, can be found on its web site: <http://www.ckh.com.hk>. According to CKHL's 2001 Annual Report, various family trusts and companies affiliated with the family of Mr. Li Ka-shing (including his son, Mr. Li Tzar Kuoi, Victor) hold a combined beneficial interest in CKHL of approximately 36.2%. CKHL 2001 Annual Report, at 25, 56. Mr. Li Ka-shing is a resident of Hong Kong and Chairman of both CKHL and HWL. Mr. Li Tzar Kuoi, Victor is Deputy Chairman and Executive Director of HWL, and Deputy Chairman and Managing Director of CKHL. Upon the consummation of the Proposed Transaction, the combined indirect beneficial interest in New GX attributable to the family of Mr. Li Ka-shing would be approximately 5.6%.

approximately 15.7%. No other beneficial owner of HWL will hold a 10% or greater indirect interest in New GX.²⁰

Hutchison Telecom, HWL, and the companies controlled by them do not provide telecommunications services in the United States.²¹ Furthermore, none of them holds a 10% or greater direct or indirect interest in any company that provides telecommunications services in the United States. Hutchison Telecom holds indirect minority interests of less than 10% in several U.S. companies that provide mobile communications services. Those interests are as follows:

- An indirect interest in VoiceStream Wireless Corp. through Hutchison Telecom's less than 5% interest in Deutsche Telekom AG;²²
- An indirect interest in Verizon Wireless through Hutchison Telecom's less than 3% interest in Vodafone Group plc;²³ and
- An indirect interest of less than 5% in Western Wireless, Inc.

2. ST Telemedia

ST Telemedia is a Singapore telecommunications and information technologies company. Through its subsidiaries, ST Telemedia provides fixed and mobile telecommunications (including public mobile data network, digital public trunked radio and public paging), data, and Internet services, as well as telephone equipment distribution, managed

²⁰ Applicants have been advised by Hutchison Telecom that, based on publicly-available information, the Government of Hong Kong indirectly holds a small beneficial interest in HWL. The amount of this beneficial interest is believed to be less than 10% because HWL has not received a notification from the Government of Hong Kong pursuant to the SDI Ordinance. The Government of Hong Kong's indirect beneficial interest in HWL does not entitle it to any rights beyond those afforded to HWL's other beneficial shareholders.

²¹ As discussed in Section IV.C, Hutchison Global Communications Ltd. leases a very limited amount of cable capacity on the Hong Kong-U.S. route.

²² Deutsche Telekom AG owns 100% of VoiceStream's common stock through its wholly-owned subsidiary T-Mobile International AG. See *VoiceStream Wireless Corporation*, FCC Form 602 (filed Feb. 6, 2002).

²³ Vodafone Group plc owns 45% of Celco Partnership d/b/a Verizon Wireless. See *Verizon Wireless*, FCC Form 602 (filed Mar. 4, 2002).

hosting, teleport, broadband cable and video, and e-business software development services. ST Telemedia is a wholly-owned subsidiary of Singapore Technologies Pte Ltd ("Singapore Technologies"), a Singapore-based conglomerate. Singapore Technologies, in turn, is a wholly-owned subsidiary of Temasek Holdings [Private] Limited ("Temasek"), an investment holding company wholly-owned by the Government of Singapore. ST Telemedia and its parent companies are organized under the laws of the Republic of Singapore.²⁴

ST Telemedia holds approximately 50.37% of the equity of StarHub Pte Ltd ("StarHub").²⁵ StarHub is the largest non-incumbent telecommunications carrier in Singapore, and it does not hold market power in any relevant Singapore telecommunications market. Other subsidiaries of ST Telemedia provide domestic broadband, public mobile data network services, digital public trunked radio services, teleport, public paging services, e-business software development, telephone equipment distribution, Internet, and cable television services in Singapore.

With the exception of the United States, ST Telemedia and its subsidiaries do not provide telecommunications services outside of Singapore. ST Telemedia does not operate directly in the United States; however, StarHub's wholly-owned U.S. affiliate, StarHub Inc., holds two international Section 214 authorizations under which it provides "carrier's carrier" services on the U.S.-Singapore route.²⁶

ST Telemedia also is under indirect common ownership with Singapore Telecommunications Limited ("SingTel"), the dominant telecommunications carrier in

²⁴ Additional information about ST Telemedia is available on ST Telemedia's web site: <http://www.stt.st.com.sg>.

²⁵ The other investors in StarHub are NTT Investment Singapore Pte Ltd, BT (Netherlands) Holdings BV, Singapore Press Holdings Limited, and Media Corporation of Singapore Pte Ltd.

²⁶ File Nos. ITC-214-20000731-00473 (granted Aug. 30, 2000) and ITC-214-20000731-00474 (granted Aug. 30, 2000).

Singapore.²⁷ Specifically, Temasek controls SingTel through a 67.56% equity holding. SingTel directly provides a variety of domestic and international telecommunications services in Singapore. SingTel also holds interests in a number of other Singapore telecommunications providers that provide Internet access, mobile wireless, cable, and other services.

Outside of Singapore, SingTel subsidiaries provide cellular, paging, fixed and mobile wireless, Internet access, and data services, in Australia, Hong Kong, India, Japan, Korea, Malaysia, Mauritius, Sri Lanka, Taiwan, and the United Kingdom.²⁸ SingTel's wholly-owned subsidiary SingTel Optus Pty Limited ("Optus") is a non-dominant competitive provider of mobile wireless, Internet access, and domestic and international communications services in Australia. Lanka Communications Services (Private) Limited ("LankaCom"), which is 82.93% owned by SingTel, provides domestic and international communications and Internet and data services in Sri Lanka. Optus and LankaCom do not hold market power in any relevant telecommunications market in the countries in which they operate, do not control bottleneck facilities, and do not otherwise have the ability to discriminate against unaffiliated carriers or to affect competition adversely in the U.S. international market. Finally, Singapore Telecom USA, Inc., a subsidiary of SingTel, holds authority from the FCC under Section 214 of the Act to provide global switched resale services.²⁹

²⁷ Applicants understand that because ST Telemedia has only arm's length dealings with SingTel, ST Telemedia does not have firsthand knowledge of, or access to, certain information about SingTel's investments and operations. The information in this Application relating to SingTel and its subsidiaries is based on ST Telemedia's reasonable due diligence.

²⁸ A list of the subsidiaries of ST Telemedia and SingTel that will become foreign carrier affiliates of the FCC-Licensed Subsidiaries within the meaning of the Commission's Rules upon consummation of the Proposed Transaction, and a request for approval of those affiliations, is provided in Attachments D and E.

²⁹ File Nos. ITC-214-19981005-00680 (granted Nov. 20, 1998), ITC-214-19981005-00681 (granted Nov. 20, 1998), ITC-214-1998-1118-00807 (granted Mar. 26, 1999), and ITC-214-19981118-00808 (granted Jan. 8, 1999).

3. Creditors

As discussed above, Creditors will obtain an aggregate amount of 38.5% of New GX's equity and voting interest. The Creditors consist of a variety of banks, bondholders, other communications carriers, equipment vendors, and other secured and unsecured creditors of the Global Crossing Debtors. The overwhelming majority of the Creditors are U.S. persons. Because GCL's reorganization plan has not yet been approved by the Bankruptcy Court, it is not yet known which Creditors will become shareholders of New GX common stock. It is not expected that any single Creditor will obtain 10% or more of the common stock of New GX.

IV. THE COMMISSION SHOULD APPROVE THE TRANSFER OF CONTROL OF THE FCC-LICENSED SUBSIDIARIES FROM GCL TO NEW GX

In reviewing applications for transfer of control under Sections 214 and 310(d) of the Act, and the Cable Landing License Act, the Commission is required to determine whether the proposed transfer of control is in the public interest.³⁰ This analysis takes into consideration, among other things, the potential competitive effects of the proposed transaction.³¹

The Proposed Transaction is in the public interest. As the successor of GCL, New GX will acquire the knowledge and expertise of GCL's management and personnel in constructing and operating telecommunications networks and providing telecommunications services. The Proposed Transaction will enhance competition by strengthening the financial and

³⁰ 47 U.S.C. §§ 214(a), 310, 47 U.S.C. §§ 34-39; Exec. Ord. No. 10530, reprinted as amended in 3 U.S.C. § 301. See also *Application of WorldCom, Inc. and MCI Communications Corporation for Transfer of Control of MCI Communications Corporation to WorldCom, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 18025, 18030-31 (1998); *KDD America, Inc. Application for Authority to Transfer Control of Cable Landing License to DDI Corporation*, File No. SCL-T/C-20000727-00028, Memorandum Opinion and Order, DA 00-2587 (rel. Nov. 16, 2000).

³¹ See, e.g., *Applications of Lockheed Martin Global Telecommunications, Comsat Corporation, and Comsat General Corporation, Telenor Satellite Mobile Services, Inc. and Telenor Satellite, Inc.*, Order and Authorization, FCC 01-369 (rel. Dec. 18, 2001), at ¶ 13 ("Telenor Order"); *Application of VoiceStream Wireless Corporation, et al. for Consent to Transfer Control of Licenses and Authorizations Pursuant to Section 214 and 310(d) of the Communications Act and for Declaratory Ruling Pursuant to Section 310 of the Communications Act*, Memorandum Opinion and Order, 16 FCC Rcd 9779, 9789 (2001) ("VoiceStream/DT Order").

competitive position of the FCC-Licensed Subsidiaries. Moreover, the Proposed Transaction will not adversely affect competition. For those reasons, the Commission should promptly approve the transfer of control of the FCC-Licensed Subsidiaries from GCL to New GX.

A. New GX Is Qualified To Hold FCC Licenses

1. New GX's Qualifications

Since 1998, GCL, through its subsidiaries, has obtained numerous licenses from the Commission, both upon direct application and through acquisitions of other FCC-licensed carriers. GCL's qualifications thus are a matter of public record. New GX, in addition to obtaining the assets and operations of GCL, will acquire the substantial knowledge and expertise of GCL's management and personnel in constructing and operating telecommunications networks and providing telecommunications services. At the same time, the Proposed Transaction will give New GX an improved capital structure that will ensure that New GX and the FCC-Licensed Subsidiaries can compete effectively.

2. Proposed Investments By Hutchison Telecom And ST Telemedia³²

The proposed investments by Hutchison Telecom and ST Telemedia in New GX also are in the public interest. Hutchison Telecom and ST Telemedia are globally recognized companies with extensive experience in the operation and management of international telecommunications networks and services. The experience of Hutchison Telecom and ST Telemedia in the international telecommunications industry is discussed in Section III.B. above. Moreover, because Hutchison Telecom and ST Telemedia are based in World Trade

³² As discussed in Section III.B.3 above, the identities of the Creditors that will become shareholders of New GX are not yet known. Therefore, Applicants do not discuss the qualifications of the Creditors in this Application. It is expected that substantially all of the Creditor shareholders of New GX will be U.S. persons or persons based in World Trade Organization Members. The Applicants do not expect that any shareholder of New GX other than Hutchison and ST Telemedia will hold a 10% or greater interest.

Organization ("WTO") Members, their proposed indirect investment in the FCC-Licensed Subsidiaries is presumptively in the public interest pursuant to the Commission's *Foreign Participation Order*.³³

a. The Proposed Investments By Hutchison Telecom And ST Telemedia Are Presumptively In The Public Interest

In the *Foreign Participation Order*, the Commission adopted an open entry standard for investors from WTO Members and a presumption that such investment is in the U.S. public interest.³⁴ Those standards apply to licenses issued under Sections 214 and 310 of the Act, as well as cable landing licenses.³⁵

To determine whether a potential investor is from a WTO Member, the Commission applies the "principal place of business" test.³⁶ Applying that test here, the Commission should conclude that Hutchison Telecom and ST Telemedia are based in Hong Kong and Singapore, respectively, both of which are WTO Members.

With respect to Hutchison Telecom, an examination of the five factors that constitute the principal place of business test makes clear that its home market is Hong Kong.³⁷

(i) Place of incorporation, organization or charter:

Hutchison Telecom is organized under the laws of Hong Kong.

(ii) Nationality of investment principals, officers, and directors:

As described above, Hutchison Telecom is a wholly owned subsidiary of HWL, a Hong Kong company. HWL, in turn, is

³³ *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891 (1997) ("*Foreign Participation Order*").

³⁴ *Id.*, at ¶ 33 *et seq.*; ¶ 50 *et seq.*

³⁵ *Id.*, at 29.

³⁶ *Id.*, at ¶ 116.

³⁷ The Commission has previously found that the principal place of business of HWL, Hutchison Telecom's parent, is Hong Kong. *Aerial Communications, Inc.*, 15 FCC Rcd 10089, 10095 (2000); *VoiceStream Wireless Corporation*, 15 FCC Rcd 3341, 3349 (2000). Nothing has occurred since then that would alter that conclusion.

49.97% beneficially owned by CKHL, which also is a Hong Kong company. The majority of the directors and officers of Hutchison Telecom and HWL work in Hong Kong and are residents of Hong Kong.

(iii) Country in which its world headquarters is located:

Hutchison Telecom's world headquarters is located in Hong Kong. HWL's world headquarters also is located in Hong Kong.

(iv) Country in which the majority of its tangible property is located, including production, transmission, billing information and control facilities:

Approximately 9% of Hutchison Telecom's assets are located in Hong Kong.³⁸

(v) Country from which it derives the greatest sales and revenues from its operations:

Approximately 45% of Hutchison Telecom's revenues are derived from its operations in Hong Kong.

The principal place of business test establishes that ST Telemedia's home market is Singapore, also a WTO Member.

(i) Place of incorporation, organization or charter:

ST Telemedia is organized under the laws of the Republic of Singapore.

(ii) Nationality of investment principals, officers, and directors:

ST Telemedia is a wholly-owned subsidiary of Singapore Technologies, a Singapore-based conglomerate, which in turn is a wholly-owned subsidiary of Temasek. Temasek is an investment holding company wholly-owned by the Government of Singapore. Seven out of ST Telemedia's eight directors are Singapore citizens, and six out of its seven senior officers are Singapore citizens.

³⁸ Hutchison Telecom's remaining assets are located as follows: (i) approximately 43% in the United Kingdom; (ii) approximately 40% in the aggregate in Argentina, Austria, Denmark, Germany, India, Israel, Ireland, Italy, Mexico, Netherlands, Paraguay, Portugal, Sweden, and Switzerland; (iii) approximately 5% in Australia; and (iv) approximately 3% in the United States. All of the foregoing countries are WTO Members.

- (iii) Country in which its world headquarters is located:

ST Telemedia's headquarters is located in Singapore.

- (iv) Country in which the majority of its tangible property is located, including production, transmission, billing information and control facilities:

A majority of ST Telemedia's tangible property, operations, and personnel is located in Singapore. While ST Telemedia has operations around the world, approximately 98% of ST Telemedia's investment and other property is located in Singapore.

- (v) Country from which it derives the greatest sales and revenues from its operations:

Approximately 98% of ST Telemedia's sales and revenues is derived from its operations in Singapore.

As companies based in WTO Members, Hutchison Telecom and ST Telemedia are entitled to the *Foreign Participation Order's* presumption that their proposed investment in New GX (and indirectly in the FCC-Licensed Subsidiaries) is in the U.S. public interest.

b. There Are No Facts That Would Rebut The Presumption Established By The *Foreign Participation Order*

The presumption in favor of investment from WTO Members established by the *Foreign Participation Order* may be rebutted only in "exceptional circumstances," namely where a proposed investment poses a very high risk to competition in the U.S. market.³⁹ Here, no facts exist that would rebut the presumption in favor of Hutchison Telecom and ST Telemedia's proposed investments.

In addition to being WTO Members, both Hong Kong and Singapore have established transparent licensing and regulatory regimes and have strong, independent regulators. Both have been at the forefront in adopting regulations to promote competition in their home

³⁹ *Foreign Participation Order*, at ¶ 51.

markets. Indeed, both the Hong Kong Office of the Telecommunications Authority ("OFTA") and the Infocomm Development Authority of Singapore have adopted unequivocally pro-competitive policies for their respective telecommunications markets.⁴⁰ As a result, Hong Kong and Singapore are served by numerous facilities-based local and international carriers, including U.S. carriers and other carriers in which U.S. companies hold substantial interests.⁴¹ Moreover, neither Hutchison Telecom nor ST Telemedia is able to harm competition in the U.S. international services market.

c. The Government of Singapore's Indirect Ownership Of ST Telemedia Is Irrelevant To The Commission's Analysis

ST Telemedia is ultimately owned and controlled by the Government of Singapore. This fact is not relevant to the Commission's public interest analysis. Nothing in the Communications Act, its legislative history, the Commission's Rules, or applicable case law provides any authority for treating an indirect investment by a government-owned carrier differently from one made by a private company. Indeed, the Commission has repeatedly refused to make such a distinction by approving the acquisition of U.S. common carriers by government-owned foreign carriers.⁴² Therefore, there is no basis for the Commission to treat ST Telemedia's proposed investment differently than it would an investment by a privately-owned company.

⁴⁰ See, e.g., Infocomm Development Authority of Singapore, Fact Sheet, "Full Competition in Telecommunications Sector" (Jan. 26, 2000), reprinted at <http://www.ida.gov.sg/Website/IDAhome.nsf/Home?OpenForm>; Office of the Telecommunications Authority, 2000 Fact Sheet, "Hong Kong: The Facts - Telecommunications" (August 2000), reprinted at <http://www.ofa.gov.hk/hk-facts/factsh00.html>.

⁴¹ The FCC has stated that it is not necessary or appropriate for it to "examine the extent to which a WTO Member has made a market opening commitment or the extent to which that commitment has been implemented in determining whether a carrier from that country should enter the U.S. market." *Foreign Participation Order*, at ¶ 37. Therefore, in the interest of brevity, this Application does not include a detailed analysis of the status of competition in the Hong Kong and Singapore markets.

⁴² See *Telenor Order*, at ¶ 30; *VoiceStream/Deutsche Telekom Order*, at ¶ 51.

3. Any Concerns Of The Executive Branch Will Be Addressed Through Consultations With The Relevant Agencies

The *Foreign Participation Order* provides that, in evaluating proposed foreign ownership of U.S. common carriers, the Commission must accord deference to the Executive Branch with respect to any national security or law enforcement concerns identified by Executive Branch agencies in connection with a transaction.⁴³ The Applicants have held preliminary discussions with the Department of Defense ("DOD"), Department of Justice ("DOJ"), the Federal Bureau of Investigation ("FBI"), and other Executive Branch Agencies (the DOD, DOJ, and FBI are collectively referred to herein as the "Executive Agencies"), and understand that there are law enforcement, national security, and public safety issues that the Executive Agencies want to review in connection with this Application. The Applicants anticipate that any such issues can be fully addressed through a security agreement with the Executive Agencies, with subsequent conditioning by the Commission of any authority the Commission grants concerning this Application on compliance with that security agreement.

Based on these discussions, and with the concurrence of the Executive Agencies, GCL and New GX request that the Commission commence its review and processing of this Application, including placing the Application on Public Notice for public comment, but that dispositive action by the Commission concerning this Application be deferred pending notification to the Commission that all issues identified by the Executive Agencies have or have not been resolved and requesting appropriate action by the Commission. If the issues identified by the Executive Agencies can be resolved through a security agreement between the Applicants and the Executive Agencies, the Applicants anticipate that such security agreement would be

⁴³ *Foreign Participation Order*, at ¶¶ 59, 63, *et seq.*; *Telenor Order*, at ¶ 47. See also 47 U.S.C. §310(b)(4).

filed with the Commission along with a request that the terms of the security agreement be adopted by the Commission as conditions to any authority granted by the Commission concerning this Application.

B. The Proposed Transaction Will Enhance Competition By Ensuring The Continued Viability Of The FCC-Licensed Subsidiaries

Commission approval of the Proposed Transaction will serve the public interest by ensuring the continued viability of the Global Crossing Network, including the operations of the FCC-Licensed Subsidiaries. The FCC-Licensed Subsidiaries are important competitors in the U.S. international and domestic telecommunications market, as well as major providers of telecommunications facilities and services to other telecommunications carriers and service providers.

Since commencing commercial operations in 1998, GCL has become a key player in the submarine cable capacity global services markets. It has been a leader in introducing competitive pricing and practices in these sectors, which previously had been the near-exclusive province of national incumbent carriers. A key consequence of this increased competition has been dramatically falling costs for international transmission capacity and, hence, falling prices for international telecommunications services.

Despite these successes, GCL has been unable to avoid the problems affecting the competitive telecommunications market. Like other carriers, GCL has found that the changed expectations of investors have restricted its access to the capital necessary to implement its business plans. As a major provider of both carrier and end-user services, GCL has been particularly affected by this downturn. GCL's carrier business has been affected by the perceived excess of international transmission capacity and the resulting drop in prices. Many of

GCL's carrier customers have gone out of business or cut back their demand for capacity, while reduced spending by enterprise customers has slowed the growth of GCL's services business.

The Proposed Transaction will ensure that the FCC-Licensed Subsidiaries will continue to be effective competitors in the international telecommunications market. This will benefit consumers, businesses, and carriers by ensuring reasonable market prices. The Proposed Transaction also will benefit competition by ensuring that the FCC-Licensed Subsidiaries will continue to provide carrier services. GCL is an important provider of domestic and international transmission capacity, which it provides to carrier customers on an indefeasible-right-of-use and leased basis, as well as of wholesale carrier services. The Proposed Transaction will ensure that these services will continue to be provided. Conversely, if the Proposed Transaction is not consummated, GCL may be forced to reduce operations, discontinue services, and terminate additional employees, which would not serve the public interest.⁴⁴

C. The Proposed Transaction Will Not Have Anti-Competitive Effects

Consummation of the Proposed Transaction will not cause anti-competitive effects and will not result in the aggregation of market power. With the exception of SingTel's affiliation with ST Telemedia in Singapore, Hutchison Telecom and ST Telemedia's operating subsidiaries and affiliates are not dominant in any of the markets in which they operate, and thus they do not have the ability to affect competition adversely on any U.S. international route.

Hutchison Telecom's and ST Telemedia's operating subsidiaries and affiliates currently do not provide U.S. interstate services in the United States. Therefore, their proposed

⁴⁴ See *Applications of Space Station System Licensee, Inc. and Iridium Constellation LLC for Consent to Assignment of License Pursuant to Section 310(b)(4) of the Communications Act*, File No. SAT-ASG-20010319-00025, Memorandum Opinion, Order and Authorization, DA 02-307 (rel. Feb. 8, 2002), at ¶ 34 (finding the proposed transaction in the public interest because it would permit Iridium to emerge from bankruptcy and continue operations).

investments in Global Crossing will not result in a concentration of market power in the U.S. domestic interstate market.

Likewise, there is virtually no overlap between the activities of the FCC-Licensed Subsidiaries and those of the operating subsidiaries and affiliates of Hutchison Telecom and ST Telemedia in the U.S. international market. Hutchison Telecom's operating subsidiaries and affiliates do not currently provide telecommunications services in the United States. ST Telemedia's subsidiary, StarHub Inc., holds international Section 214 authority and provides limited international telecommunications services between the United States and Singapore as a "carrier's carrier." Singapore Telecom USA, Inc., a subsidiary of ST Telemedia's affiliate SingTel, also holds international Section 214 authority; its principal activity is the provision of administrative, technical and advisory services to SingTel in the United States. Neither StarHub Inc. nor Singapore Telecom USA, Inc. has a remotely cognizable market share on any U.S. international route. Thus, the Proposed Transaction will result in, at most, a *de minimis* aggregation of market share.

In addition, the operating subsidiaries and affiliates of Hutchison Telecom and ST Telemedia outside the United States do not have the ability to adversely affect competition on any U.S. international route. Hutchison Telecom's operating subsidiaries are competitive providers of telecommunications services. Outside of Hong Kong, Hutchison Telecom's operating subsidiaries are mobile wireless service providers. The Commission has stated that mobile wireless service providers lack sufficient market power to affect competition adversely in the U.S. market.⁴⁵

⁴⁵ *In re 1998 Biennial Regulatory Review - Review of International Common Carrier Regulations*, Report and Order, 14 FCC Rcd 4909 (1999) at ¶ 29.

In Hong Kong, in addition to its mobile wireless operations, Hutchison Telecom holds a 100% interest in Hutchison Global Communications Ltd. ("HGC").⁴⁶ HGC is a competitive provider of fixed line voice and data services, including international direct dialing and international private leased line services. The private leased line services include the lease of international cable capacity on the Hong Kong-U.S. route. HGC does not possess market power in Hong Kong or on the Hong Kong-U.S. route.⁴⁷

Similarly, ST Telemedia's proposed investment presents no danger of competitive harm on the U.S.-Singapore route (or any other route). ST Telemedia's primary carrier subsidiary, StarHub, is the largest competitive provider of telecommunications services in Singapore and competes with SingTel in the provision of a variety of telecommunications services. As a competitive provider, StarHub does not control bottleneck facilities in Singapore that would enable it to adversely affect competition on the U.S.-Singapore route.

While ST Telemedia is under common control with SingTel through their ultimate common ownership by the Government of Singapore, the two companies are structurally and legally separate and operate completely independently of each other. They have separate directors, management, and employees and deal with each other on a strictly arms' length basis. Indeed, the companies are vigorous competitors, and StarHub enjoys no legal or practical advantage over other competitive carriers in obtaining interconnection and related services from SingTel.

⁴⁶ Until recently, HGC (formerly called Hutchison Global Crossing Ltd.) was a joint venture between Hutchison Telecom and Asia Global Crossing. Hutchison Telecom bought Asia Global Crossing's interest in the joint venture earlier this year, and re-named the company Hutchison Global Communications Ltd.

⁴⁷ In June 1995, OFTA issued a statement (referred to as a "direction") indicating that HGC (then known as Hutchison Communications Limited) was not dominant with respect to any of its telecommunications services. OFTA's direction can be found on its web site: <http://www.ofra.gov.uk>. OFTA has not issued any subsequent statement that would undermine this direction. HGC's total international cable capacity (including both activated and unactivated capacity) represents approximately 3.6% of the total cable capacity on the Hong Kong-U.S. route.

The indirect relationship between the FCC-Licensed Subsidiaries and ST Telemedia that will result from the Proposed Transaction will not negatively affect competition on the U.S.-Singapore route. However, to simplify the Commission's analysis, Applicants agree to have the FCC-Licensed Subsidiaries be regulated as dominant on that route upon the consummation of the Proposed Transaction (without prejudice to any future request to be reclassified as non-dominant). The Commission's regulations governing dominant carriers thus will ensure that no competitive harm results from the Proposed Transaction. Outside of Singapore, all of ST Telemedia's affiliates are competitive providers of telecommunications services and do not control bottleneck facilities or otherwise have the ability to affect competition adversely in the U.S. international services market.⁴⁸

V. THE COMMISSION SHOULD ISSUE A DECLARATORY RULING UNDER SECTION 310(b)(4)

GCL's subsidiary, Global Crossing North American Networks, Inc. ("GCNAN"), holds 25 common carrier point-to-point microwave licenses issued by the Commission.⁴⁹ GCNAN's operations using these licenses constitute a *de minimis* portion of the Global Crossing Network. The Proposed Transaction, if consummated, would result in Hutchison Telecom and ST Telemedia each holding a greater than 25% indirect interest in GCNAN, thus implicating section 310(b)(4) of the Act.

⁴⁸ Attachments D and E request approval for the FCC-Licensed Subsidiaries' proposed affiliations with Hutchison Telecom's and ST Telemedia's foreign carrier affiliates. Aside from the U.S.-Singapore route, the FCC-Licensed Subsidiaries should continue to be regulated as non-dominant on all international routes.

⁴⁹ GCNAN also holds one non-common carrier radio license. See Attachment B for a complete list of GCNAN's common carrier and non-common carrier wireless licenses.

Pursuant to Section 310(b)(4), the Commission may refuse to grant or may revoke a common carrier radio license if: (i) more than 25% of any entity that controls the licensee is owned of record or voted by aliens, foreign governments, or their representatives, or foreign corporations; and (ii) the Commission finds that refusal or revocation of the license would serve the public interest. As discussed in Section III.A, the Commission has found that the public interest is served by permitting open investment in U.S. carriers, including wireless operators, by foreign persons based in WTO Members. There is no countervailing risk to competition from the Proposed Transaction. Accordingly, the Commission should issue a declaratory ruling that the Proposed Transaction is in the public interest under Section 310(b)(4) and authorize Hutchison Telecom and ST Telemedia each to hold an unlimited indirect interest in GCNAN.

A small number of the Creditors also are non-U.S. persons. It is not yet clear which of those Creditors may obtain an equity interest in New GX (and indirectly in GCNAN), and hence whether any of the Creditor shareholders of New GX will be foreign persons. Because most of the Creditors are U.S. persons, however, the Applicants expect that the majority of the Creditor shareholders will be U.S. persons. Nonetheless, out of an abundance of caution, and consistent with past precedent,⁵⁰ the Applicants request that the Commission authorize New GX to accept equity and/or voting interests of up to an additional 25% from non-U.S. investors other than Hutchison Telecom and ST Telemedia.

⁵⁰ *VoiceStream/DT Order*, at ¶ 125; *In re Application of Cook Inlet Region, Inc. and VoiceStream Wireless Corporation for Consent to Transfer of Control of Licenses and Authorizations*, Order, 15 FCC Rcd 24691 (2000), at ¶ 11; *In re Application of General Electric Capital Corporation and SES Global, S.A. for Consent to Transfer Control of Licenses and Authorizations Pursuant to Sections 214(a) and 310(d) of the Communications Act*, Order and Authorization, 16 FCC Rcd 17575 (2001), at ¶¶ 23, 42.

VI CONCLUSION

For the reasons set forth above and in the individual applications attached hereto, the Applicants urge the Commission to grant this Application for Consent to Transfer Control and Petition for Declaratory Ruling.

Respectfully submitted,

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Dated: August 22, 2002

INDEX OF ATTACHMENTS

Attachment A	Bankruptcy Court's Order Approving the Proposed Transaction
Attachment B	FCC-Licensed Subsidiaries of Global Crossing Ltd. (Debtor-in-Possession)
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Attachment D	Application to Transfer Control of International and Domestic Section 214 Subsidiaries
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Attachment F	FCC Forms 602 and 603